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A TOUGH YEAR FOR THE EUROPEAN CAR INDUSTRY AS OVERALL SALES FALL DURING 2010

- **Full year 2010 European new car sales down 4.7% compared to 2009**
- **Almost 14 million units sold across Europe despite an end to most Scrappage schemes**
- **Germany ends a difficult year down 23.4% vs 2009**
- **Volkswagen ends the year as Europe's best selling brand**

A disappointing finish to 2010 for the car industry saw sales finish 4.7% down compared to 2009, according to the full-year 2010 analysis by the world's leading provider of automotive intelligence, JATO Dynamics.

Total car sales for 2010 were down for three of Europe's 'Big Five' markets compared to 2009: France down 0.7%, Italy down 9.2%, and Germany down 23.4%, while Great Britain and Spain saw marginal growth with an increase of 1.8% and 3.1% respectively. With sales and deliveries drying up following the end of scrappage schemes a few months previously, only Germany within this group ended the year on a high, with a sales increase of 6.9% for December.

Sales in Central and Eastern Europe for 2010 performed well with the majority of the markets in this region showing positive growth compared to the previous year. For example, Lithuania and Latvia ended 2010 up 6.1% and 18.6% for the year respectively in stark contrast to 2009's figures, which saw them end that year down 72.9% and 66.2%. The strong performance of these markets can be largely attributed to the fact that they had a very poor 2009 and were, in the main, not propped up by scrappage schemes. This

means that their recovery from the recession has appeared quicker but is from a lower base.

Despite selling 13.7% fewer Golfs in 2010 than in 2009, Volkswagen remained Europe's best selling brand with sales of 492,556 units over the year.

"It's not surprising that sales for 2010 are down compared to 2009 as these figures were stimulated by government incentives and scrappage schemes," says Gareth Hession, Vice-President Research.

Gareth continues: "2011 will be another challenging year for the industry given ongoing government cuts across Europe and a continued lack of consumer confidence, especially for big ticket items. It is concerning that a number of markets saw a significant fall in sales in December, reiterating the fragile nature of the recovery. We expect manufacturers to be very active throughout the year, deploying a range of strategies to support their sales performance. Using our Total Cost of Ownership and Incentives data it will be very interesting to see how these strategies develop and what impact they have."

National Trends

It was a mixed picture for markets across Europe in 2010 with sales in Europe's 'Big Five' markets of Great Britain, Germany, Spain, France and Italy all showing negative or little growth while many markets within Central and Eastern Europe performed well. Across the entire region a total of 13,692,067 units were sold, down from 14,368,455 in 2009.

Despite its economic trouble, Ireland saw the biggest increase in sales in 2010, up 53.9% compared to the previous year, supported by the introduction of a scrappage scheme. Greece saw the biggest decrease in sales, which declined from 220,074 units in 2009 to 140,691 in 2010, no doubt affected by the poor state of its economy during the past year.

Sales by Market

Country	Dec_10	Dec_09	% Change Dec	FY_10	FY_09	% Change YtD
Austria	20,366	19,422	+4.9%	328,565	319,404	+2.9%
Belgium	29,243	26,449	+10.6%	547,347	476,194	+14.9%
Cyprus	1,171	1,014	+15.5%	14,099	15,004	-6.0%
Czech Republic*	14,210	14,815	-4.1%	168,220	161,663	+4.1%
Denmark	9,372	11,790	-20.5%	146,721	112,436	+30.5%
Estonia	764	697	+9.6%	10,295	9,946	+3.5%
Finland	6,191	4,144	+49.4%	111,961	90,664	+23.5%
France	228,316	228,392	-0.03%	2,251,669	2,268,671	-0.7%
Germany	230,371	215,564	+6.9%	2,916,260	3,807,175	-23.4%
Great Britain	123,817	150,936	-18.0%	2,030,846	1,994,999	+1.8%
Greece	3,675	9,680	-62.0%	140,691	220,074	-36.1%
Hungary	3,935	4,360	-9.7%	43,815	60,743	-27.9%
Iceland	225	102	+120.6%	3,106	2,132	+45.7%
Ireland	433	304	+42.4%	88,423	57,461	+53.9%
Italy	131,220	167,699	-21.8%	1,970,142	2,170,688	-9.2%
Latvia	804	339	+137.2%	6,365	5,367	+18.6%
Lithuania	857	591	+45.0%	7,970	7,515	+6.1%
Luxembourg	2,503	2,800	-10.6%	49,726	45,186	+10.0%
Norway*	10,578	10,250	+3.2%	128,196	98,675	+29.9%
Poland	35,940	28,710	+25.2%	334,395	322,108	+3.8%
Portugal*	22,703	17,385	+30.6%	218,052	161,001	+35.4%
Slovakia	7,754	5,864	+32.2%	66,063	85,298	-22.6%
Slovenia	3,399	3,553	-4.3%	59,226	55,712	+6.3%
Spain	69,438	90,825	-23.5%	985,526	955,823	+3.1%
Sweden	29,769	19,368	+53.7%	289,683	213,408	+35.7%
Switzerland	27,796	24,146	+15.1%	290,758	265,544	+9.5%
The Netherlands	11,593	7,980	+45.3%	483,947	385,564	+25.5%
Grand Total	1,026,443	1,067,179	-3.8%	13,692,067	14,368,455	-4.7%

* Denotes estimated data used for December

Brand Performance

Opel/Vauxhall had a very strong December with the new Astra outperforming its predecessor and both the face lifted Corsa and the Meriva selling strongly.

Within the top 10 brands, Fiat saw the biggest decline in sales over the year, down 18.6% compared to 2009, with a drop in overall car sales in its home market of Italy being a contributing factor.

German premium brands had a strong year with BMW, Audi and Mercedes all experiencing positive growth in 2010. In fact BMW was the strongest performing top 10 brand with an increase from 571,688 units sold in 2009 to 608,502 in 2010. This is despite a poor sales performance in their home market.

Top 10 Brands

Make	Dec_10	Dec_09	% Change Dec	FY_10	FY_09	% Change YtD
VOLKSWAGEN	107,854	118,427	-8.9%	1,536,473	1,642,114	-6.4%
RENAULT	87,929	89,926	-2.2%	1,138,180	1,088,736	+4.5%
OPEL/VAUXHALL	85,744	71,539	+19.9%	998,692	1,057,579	-5.6%
PEUGEOT	77,372	79,968	-3.2%	1,002,956	990,276	+1.3%
FORD	71,453	97,072	-26.4%	1,118,089	1,289,599	-13.3%
CITROEN	59,002	66,699	-11.5%	835,114	866,483	-3.6%
FIAT	53,070	70,211	-24.4%	823,097	1,010,696	-18.6%
BMW	51,479	48,354	+6.5%	608,502	571,688	+6.4%
AUDI	46,484	40,386	+15.1%	623,510	612,378	+1.8%
MERCEDES	43,089	44,254	-2.6%	590,412	588,100	+0.4%

Model Performance

Ford's Fiesta had a disappointing December with sales decreasing 32.8%, largely due to reduced market activity in Great Britain and Italy during the month.

The Volkswagen Polo performed strongly all year thanks to a strong demand for this model in Great Britain, Italy and the Netherlands. Of the top 10, the new Citroen C3 had the most positive 2010, up 34.4% for the year, while the Fiat Punto, one of the clear winners from scrappage schemes in Germany and Italy in 2009, saw the biggest decline, finishing the year down 20.5%.

Top 10 models

Make & Model	Dec_10	Dec_09	% Change Dec	FY_10	FY_09	% Change YtD
VOLKSWAGEN GOLF	34,045	38,066	-10.6%	492,556	571,075	-13.7%
OPEL/VAUXHALL CORSA	27,435	24,043	+14.1%	317,950	351,858	-9.6%
RENAULT CLIO	26,519	27,303	-2.9%	338,245	313,102	+8.0%
VOLKSWAGEN POLO	24,990	24,695	+1.2%	354,068	283,069	+25.1%
PEUGEOT 207	23,559	27,702	-15.0%	305,468	367,474	-16.9%
FORD FIESTA	23,108	34,384	-32.8%	402,207	472,158	-14.8%
OPEL/VAUXHALL ASTRA	22,432	21,133	+6.1%	291,219	275,906	+5.6%
FIAT PUNTO	17,975	22,089	-18.6%	257,645	324,125	-20.5%
RENAULT MEGANE	17,888	18,289	-2.2%	260,542	231,015	+12.8%
CITROEN C3	16,198	15,603	+3.8%	224,953	167,400	+34.4%

The above data and analysis is provided by JATO Consult, the company's bespoke consulting service which offers customers access to its unique research and provides solutions and advice to meet a wide range of automotive business challenges. For more information visit www.jato.com, or email consult@jato.com.

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Editorial note: JATO Dynamics background

JATO was founded in 1984 and provides the world's most timely, accurate and up-to-date information on vehicle specifications and pricing, sales and registrations, news and incentives. The company has representation in over 40 countries, providing unique local market expertise. The JATO client base includes all of the world's volume vehicle manufacturers, giving them the ability to react to short-term market movements, plan for long-term developments and ultimately to meet consumers' needs. JATO's intelligence has also been adapted for consumer use in motoring web portals where customers can see the advantages and disadvantages of a specified model against any other while major leasing companies use JATO's intelligence to drive the vehicle quotation process. Visit JATO at www.jato.com.

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